

WORKFORCE OBSERVATIONS FOR SOUTH CENTRAL WISCONSIN COUNTIES

October 2001



State of Wisconsin
Department of Workforce Development

Notice: This publication, *Workforce Observations*, replaces the *Labor Market Review*, which was previously known as the *Employment Review*.

Back to school

In September, the national unemployment rate stayed at 4.9 percent while Wisconsin's rate dropped from 4.0 percent to 3.4 percent, South Central Wisconsin's unemployment rate dropped from 2.5 percent to 2.2 percent, and Dane County's unemployment rate dropped from 1.8 percent to 1.6 percent. Much as in August, these unemployment rate declines can be attributed to declines in the number of people in the labor force.

All six counties in South Central Wisconsin experienced declines in the number of unemployed residents, but they all experienced greater declines in employed residents. Across the board, the labor force shrank as students, migrants and seasonal workers left South Central Wisconsin. This was most pronounced in Sauk County, where the labor force shrank by roughly 2,300 people. The loss of 1,400 service jobs and 500 retail jobs corresponds with the tourist season winding down.

Sauk County's service industry typically loses closer to 1 ¾ percent of its jobs in September. The 1 ¼ percent dip this year is on the modest side of normal seasonal contraction, although comparing service employment each month this year to the same month last year shows that Sauk County's service sector has grown more slowly than it typically does. Sauk County's retail sector experienced a fairly normal seasonal decline from August, but continues to be well above last year's employment levels.

Students and people working at schools dominate Dane County's September employment picture. The increase of over 500 retail jobs and 2,900 government jobs can be attributed (at least in part) to back-to-school

shopping and to high school and college employees returning for the fall session. Were it not for the autumn surge in government employment, all six South Central Wisconsin Counties would have lost jobs between August and September. Whatever the cause, these changes are relatively consistent with changes in September since 1994.

The manufacturing slowdown

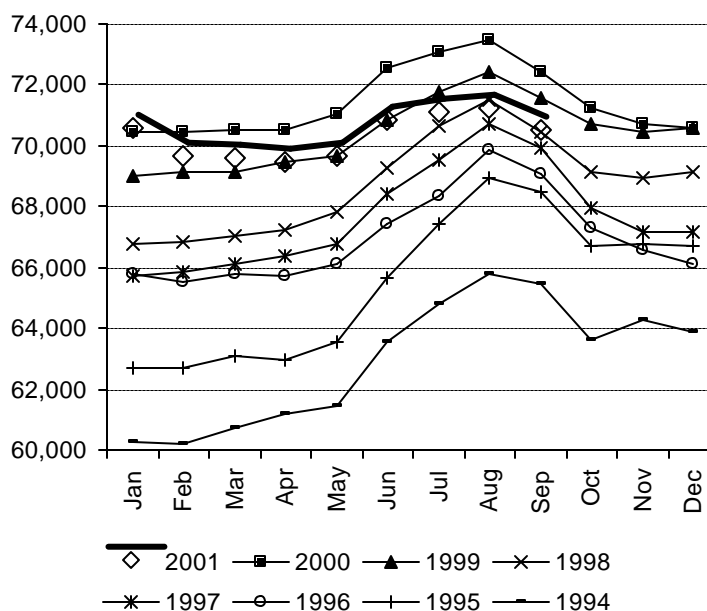
The manufacturing sector, in contrast, is facing a more pronounced and more prolonged slowdown. Even Dane County, which relies on manufacturing less than neighboring counties, is starting to feel the effects. Dodge County relies on manufacturing for 37 percent of its jobs and has seen manufacturing below 1999 levels for most of this year.

Much of Wisconsin's manufacturing relates to production of machine tools and equipment used to build, expand or update manufacturing facilities. This type of manufacturing is somewhat more prone to cycles of growth and contraction because there is little ground in between.

When general market conditions suggest flat-tish demand (neither increasing nor decreasing much), many industries perform at average or slightly below-average levels. Firms that make machine tools and other investment-grade equipment rely on demand for expanded capacity. If their customers are not

growing or retooling, these firms see fewer orders. This continues until the first signs of renewed demand growth. While not absolute rules, these trends help explain why Wisconsin's manufacturers tend to see slowdowns coming before employers in other industries.

South Central Wisconsin Manufacturing Jobs



By the same token, even if current demand is sluggish, these manufacturers might see signs of recovery sooner than employers in other industries because their products are bought by firms that base their investment decisions on expected demand in future quarters. The fact that manufacturing contraction is less steep now than it was early in the summer can lend some small comfort.

It is often speculated that the events of September 11 and those that followed may challenge business and

consumer confidence. The data reported here were collected too early in September to offer a meaningful insight. October figures released in late November will start giving some limited perspective on how the economy is weathering the attacks and challenges that preceded them.

September 2001 Estimates	Wisconsin	South Central WDA	Madison MSA	Columbia County	Dodge County	Jefferson County	Marquette County	Sauk County
Civilian Labor Force*	3,038,900	444,700	275,800	28,300	50,200	44,600	7,400	38,300
Employed	2,935,900	434,900	271,400	27,400	48,100	43,300	7,100	37,500
Unemployed	103,000	9,800	4,400	900	2,000	1,300	300	800
Unemployment Rate (%)	3.4	2.2	1.6	3.3	4.0	2.9	4.4	2.1
Total jobs, all industries**	2,857,000	438,200	297,700	21,900	36,800	38,900	4,000	39,000
Construction & Mining	137,700	22,300	14,800	1,100	2,300	1,300	400	2,300
Manufacturing	591,300	70,500	29,700	5,600	13,700	13,000	1,200	7,400
Transport & Public Util.	137,900	15,200	10,200	800	1,300	1,700	100	1,000
Wholesale Trade	137,500	18,400	13,200	800	1,100	1,500	100	1,800
Retail Trade	502,200	77,200	50,600	4,800	5,200	7,100	800	8,700
Finance, Ins. Real Estate	152,500	26,200	23,000	400	900	800	100	1,100
Services	793,100	114,800	81,400	4,800	7,500	9,200	600	11,300
Government	404,800	95,500	74,800	3,600	4,900	4,200	2,500	5,400
Change From August 2001								
Civilian Labor Force*	-42,500	-6,100	-1,100	-700	-1,100	-800	-200	-2,300
Employed	-23,600	-4,500	-600	-500	-700	-600	-100	-2,000
Unemployed	-18,900	-1,600	-600	-200	-400	-200	0	-200
Unemployment Rate (%)	-0.6	-0.3	-0.2	-0.5	-0.6	-0.4	-0.3	-0.4
Total jobs, all industries**	3,300	400	2,200	-100	0	-100	0	-1,700
Construction & Mining	-2,600	-600	-300	-100	-100	-100	0	-100
Manufacturing	-6,100	-700	-400	-100	100	-100	0	-100
Transport & Public Util.	3,400	300	200	0	100	0	0	0
Wholesale Trade	-1,800	-100	-100	0	0	0	0	0
Retail Trade	-4,700	-400	500	-200	0	-200	0	-500
Finance, Ins. Real Estate	-1,000	-200	-200	0	0	0	0	0
Services	-7,700	-2,400	-400	-300	-200	-100	0	-1,400
Government	23,800	4,800	2,900	600	100	400	400	400
Change From September 2000								
Civilian Labor Force*	129,900	17,600	11,300	1,100	1,800	1,500	300	1,600
Employed	71,200	15,600	10,700	1,000	900	1,200	300	1,500
Unemployed	16,200	2,000	600	100	900	300	0	0
Unemployment Rate (%)	0.5	-13.4	0.1	0.1	1.7	0.7	0.1	0.0
Total jobs, all industries**	1,100	8,600	7,100	500	-100	300	-100	800
Construction & Mining	-1,400	0	100	0	0	0	0	-100
Manufacturing	-27,100	-1,900	-1,300	0	-400	-200	0	0
Transport & Public Util.	1,800	200	100	0	0	0	0	0
Wholesale Trade	-2,000	200	100	0	0	0	0	0
Retail Trade	1,500	1,900	1,000	200	200	0	0	600
Finance, Ins. Real Estate	3,300	900	1,000	0	0	0	0	0
Services	16,400	4,000	3,300	200	100	200	0	200
Government	8,500	5,100	2,800	100	0	300	1,800	100

* Includes participants residing in area. **Includes employment with employers located in area. Estimates NOT seasonally adjusted.

Current month estimates are preliminary. Sub-units may not add to totals due to rounding. Calculations based on unrounded numbers.

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